

**Board of directors' report attached to
financial statements for year ended 31 Dec. 2023
(As per article 40 of Listing rules)**

Bank Name	Al Baraka Bank – Egypt S.A.E
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General Information:

Bank Purpose	The purpose of the bank is to carry out all banking, financial and commercial services and operations authorized for commercial banks in accordance with Law No. 43 of 1974 as amended, Law No. 163 of 1957 as amended, Law No. 120 of 1975 and other Egyptian laws regulating banking operations, in Egyptian currency and foreign currencies, whether for its own account or for the account of others or In partnership with him, in addition to carrying out the commercial activities authorized for commercial banks, as well as undertaking all that is required for development work and projects. In general, the bank carries out all banking, commercial, financial and investment activities authorized for commercial banks, and in all cases the bank's practice of its activity be in accordance with the provisions of tolerant Islamic Sharia.		
Duration of the bank	25 Years, Till 28 Apr. 2030	Listing Date	25 Dec. 1984
The law under which the Bank is incorporated	No. 8 / 1997	Stock nominal value	EGP 7
Authorized Capital	EGP 10 Bn	Issued Capital	EGP 5,089,974 K
Paid In Capital	EGP 5,089,974 K	Commercial registry number & registration date	131593 18/2/2019

Investor relations:

Investor Relations Officer	Mr. Hesham Zaki Alsayed Mahmoud Ghoneim		
Head Office Address	29 South 90 th St., City Services Center, First Sector, Fifth Settlement		
Telephone No.	28103500 28103600	Fax No.	28103501
Web Site	www.albaraka.com.eg		
E-mail	Investor.relations@albaraka.com.eg		

External Auditors:

Name	Mr. Wael Sakr (PWC Office – Ezz El-din & Diab & Partners)		
Date of appointment	14 Apr. 2022		
Listing No. in FRA Register	381	Listing Date	13 Sep. 2017

Name	Mr. Mohamed Ahmed Abu El Kasem (UHY Office for Audit)		
Date of appointment	18 Mar. 2023		
Listing No. in FRA Register	359	Listing Date	13 Oct. 2008

Shareholder Structure and Board Member Ownership:

Holders of 5% Share or More	No. of Shares Held as of Date of Financial Statements	Ownership (%)
Al Baraka Group	535,767,667	73.6816%
Misr Life Insurance	52,870,683	7.2711%
Total	588,638,350	80.9527%

BOD Members with Shares Ownership	No. of Shares Held as of Date of Financial Statements	Ownership (%)
Al Baraka Group	535,767,667	%73.6816
Misr Insurance	32,754,339	%4.5045
Mr. Mohamed Abd El-Salam Elshokary	843,444	%0.1160
Eng. Abdel Aziz Mohamed Abdo Al Yaman	44,011	%0.0061
Total	569,409,461	78.3082%

Treasury Shares	No. of Shares Held as of Date of Financial Statements	Ownership (%)
Treasury Shares	N/A	N/A

Board of Directors:

S.	Name	Position	Representing	Role
1.	Eng. Abdel Aziz Mohamed Abdo Yamani	Chairman	Al Baraka Group	Non-executive
2.	Mr. Hazem Hussein Rashad Hegazy	CEO & Vice Chairman	Al Baraka Group	Executive
3.	Mr. Hossam Bin El-Habib Bin Haj Amor	Member	Al Baraka Group	Non-executive
4.	Mr. Hatem Abd El-Monem Mohamed Montasser	Member	Al Baraka Group	Non-executive
5.	Mr. Ahmed Mustafa Abd El-Hamid Representing Misr Insurance	Member	Other Investors	Non-executive
6.	Mr. Mohamed Abd El-Salam Elbasheer Elshokary	Member	Other Investors	Non-executive
7.	Dr. Ramy Ahmed Hasan El-Borai	Member	Independent	Non-executive
8.	Mr. Karim Mohamed Fouad Elfateh	Member	Independent	Non-executive
9.	Mrs. Ghada Mostafa Labib	Member	Independent	Non-executive

Changes that Occurred to the Board of Directors Composition Throughout the Year:

- On 3/18/2023, the Ordinary General Assembly decided at its meeting to reconstitute the Board of Directors for its new session (2023 - 2026) as mentioned above.
- On 11/6/2023, Mr. Ismail Saleh Abdel Fattah, a member of the Board of Directors representing Al Baraka Group, passed away.
- Based on the decision of the Ordinary General Assembly held on 3/18/2023, the Board of Directors was authorized to appoint another female member to represent the Al Baraka Group and is awaiting the approval of the Central Bank regarding her appointment.

Board of Directors Meetings:

- The Board of Directors convened six times throughout the year.

Audit Committee:

Audit Committee Composition:

Mrs. Ghada Mostafa Labib	Independent Board Member	Committee Chair
Mr. Ahmed Mustafa Abd El-Hamid	Non-executive Board Member	Committee Member
Mr. Hatem Abd El-Monem Mohamed Montasser	Non-executive Board Member	Committee Member

Audit Committee Roles and Responsibilities:

Committee Purpose

Assisting the Board of Directors in undertaking its supervisory role, as well as supervising and monitoring the internal audit process and reviewing the Company's financial information that is to be presented to shareholders and investors.

Committee Roles and Responsibilities:

- Direct Supervision of the Internal Audit Department; monitoring and reviewing its performance, including approving audit plans, annual plans, and periodical reporting system and reporting levels, and identifying the key risks faced by the Bank and the degree of the Bank's compliance with international internal audit standards.
- Proposing the appointment of the Company's external auditor, determining their fees, and considering matters related to their resignation or dismissal, in a manner that does not violate the provisions of the law and the regulations of the Financial Regulatory Authority (FRA).
- Consulting on the assignment of the external auditor to perform services for the benefit of the Company, in addition to reviewing the financial statements, and on their fees, without prejudice to the requirements of the auditors' independence.
- Discussing matters, the committee deems necessary with the person in charge of the internal audit, the external auditor, and the relevant officials, as well as whatever they deem necessary to discuss with the committee.
- Examining financial statements before being presented to the Board for approval.
- Reviewing the annual financial statements before they are published and ensuring their alignment with the approved financial figures.
- Coordinating between internal and external audit tasks and ensuring that there are no restrictions that impede the direct communication lines between the Head of Internal Audit, the Company's external auditors, the Board of Directors, and the Audit Committee.
- Reviewing and approving the annual internal audit plan.
- Reviewing internal audit reports, including reports related to the adequacy of the Company's internal control systems and the extent of compliance with the policies and laws in force, and ensuring that the Bank's management takes the necessary corrective measures in a timely manner toward any issues identified.

- Reviewing the reports prepared by the Bank’s Compliance Official, particularly all that relates to the violation of the applicable legislations, internal policies, and CBE instructions.
- Examining any obstacles that could affect the internal or external audit process and suggesting solutions to overcome them.
- Reviewing the report of the Head of Internal Audit regarding the availability of qualified employees within the Department, as well as the qualification level of the Bank’s Compliance Officer and their level of training and preparedness.
- Reviewing the measures taken by the Bank to comply with the CBE’s regulatory standards and controls and ensuring that management undertakes the necessary corrective actions in case of violations.
- Ensuring that the Bank has set in place an internal controls system and has taken executive actions to combat money laundry.
- Reviewing the CBE’s remarks stated in its inspection reports and its remarks on the Company’s financial statements and providing them to the Board of Directors along with the Committee’s recommendations.
- Examining the external auditor’s remarks on the financial statements, as well as other reports sent to the Company’s management throughout the year and providing them to the Board of Directors along with the committee’s recommendations.
- Reviewing the accounting principles being used and the changes that would occur should new accounting principles be used.

Committee Meetings:

- The Audit Committee convenes once every quarter. Meetings are attended by the Bank’s external auditors, and the Committee is allowed to call upon whomever it deems necessary. The Committee presents its recommendations to the Bank’s Board of Directors. External auditors have the right to call for a committee meeting whenever they deem it necessary.
- Committee meetings are attended by the Head of Internal Audit, Head of Compliance, and senior executives invited by the Committee without having the right to vote.
- The role of the Committee Secretary is performed by the Head of Internal Audit, and the Committee is required to provide an annual report on its operations and recommendations to be sent to the Board of Directors.

Committee Work Throughout the Year

Number of Audit Committee Meetings	4 meetings throughout 2023
Were the Committee Reports Presented to the Board of Directors?	Yes
Did the Committee Reports Contain any Material Remarks that Required Handling?	There are no material remarks that present a significant risk on the Bank’s assets. Remarks and recommendations related to executive and regulatory issues are presented by the Committee. Actions taken to correct these issues are presented to the Committee for follow up.
Were the Remarks Handled by the Board of Directors?	The are no material remarks that present a significant risk on the Bank’s assets, this is also reflected in the reports of external regulatory bodies.

Employees Information:

Average Number of Employees During the Year	1,188 employees
Average Employee Basic Salary During the Year	EGP 31,795 monthly

Rewards and Motivation Policy for Employees and Managers:

Total Shares Available to Employees and Managers as Part of the Rewards and Motivation Policy	N/A
Total Shares Distributed to Employees and Managers during the Year	N/A
Number of Beneficiaries of the Rewards and Motivation Policy	N/A
Total Shares Distributed to Employees and Managers since the Introduction of the Policy	N/A
Name and Position of Any Individual who was Given 5% or more of Total Available Shares (or 1% of the Bank's Capital)	N/A

Violations and Procedures Relating to the Capital Markets Law and Stock Exchange Listing Rules:

No fines were imposed on the Bank during the year ended 31 Dec. 2023

The Bank's Contribution toward Improving Society and Protecting the Environment During the Year:

Based on Al Baraka Bank's strategy to expand in all fields and play an influential and effective role in community service in particular, the Bank has undertaken many projects for 2023 in the fields of health, education, and community development.

In the field of health, the Bank has undertaken many projects to support health services in general and support ophthalmic diseases in particular:

- The Bank, in conjunction with the opening of its new branches in the governorates and cooperation with the Sonaa Al-Khair Foundation, established two medical convoys in the governorates of Damietta and Sharqia to detect eye diseases, provide treatment and medical glasses, and perform surgical operations when needed for the people of the two governorates, free of charge.
- The Bank also cooperated with the Mervat Sultan Development Foundation to set up a medical convoy to detect eye diseases and examine students from two schools in Minya Governorate to detect eye diseases, provide treatment and medical glasses, and perform surgical operations when needed, in addition to covering the cost of all surgical operations on the institution's waiting list.
- The Bank also, in cooperation with the Sonaa Al-Khair Foundation, donated modern equipment for detecting eye diseases to the Suez Canal University and Zagazig University hospitals.
- On another level, the Bank launched the "Al Baraka Fiki" initiative, which focuses on Egyptian women in the fields of health and economic empowerment.
- The Bank signed a cooperation protocol with Bahia Hospital to donate a blood vessel cauterization device and an electric shock device, in addition to sponsoring one hundred chemotherapy sessions for cancer fighters at Bahia Hospital.
- Considering the Al Baraka Fiki initiative, the Bank also supported women who own handicrafts and small projects affiliated with the Good Makers Foundation. This support consists of a financial donation and hosting project owners in bazaars to display their products to bank employees.

- the Bank donated the necessary equipment to the People’s Hospital analysis laboratory, which performs all the necessary analyses for patients in the hospital laboratories for free, as the number of analyses reaches 14 thousand analyses per month.
- Regarding oncology treatment, the Bank donated 65 oxygen units and five chairs for chemotherapy sessions at branch 500500 of the National Oncology Institute.

In the field of education, Al Baraka Bank cooperated with the Elsewedy Foundation, which is responsible for establishing the Elsewedy University of Technology, which is considered the first university in Egypt to specialize in the field of polytechnics. This cooperation represented the Bank sponsoring the cost of the university’s computer laboratory.

On the month of Ramadan, the Bank cooperated with the Misr Al-Khair Foundation to prepare, pack, and deliver 4,300 food boxes to families in need.

To support people with disabilities, the Bank donated the cost of training one hundred blind young people on handicrafts, “kilims and bamboo products,” in cooperation with the Dunetna Foundation for the Blind.

The Bank also supported three charities that support people with disabilities by providing places to display their products in the “Miss Basket” bazaar in the Downtown Mall in the Fifth Settlement.

Transactions with Related Parties:

(EGP Thousands)

	31 December 2023			31 December 2022		
	Main Shareholders	Directors and other key management	Subsidiaries	Main Shareholders	Directors and other key management	Subsidiaries
Related parties outstanding balances can be analyzed below:						
Due from banks	134,207	-	-	681,404	-	-
Financing and credit facilities to customers	-	4,632	725,293	-	1,000	693,397
Financial investments measured at FVOCI	33,645	-	-	25,600	-	-
Subordinated finance from Other Shareholders	1,390,190	-	-	1,113,453	-	-
Customers' deposits	2,315,017	12,842	87,486	597,803	18,674	102,641
Due to banks	55,969	-	-	623,819	-	-
Related parties transactions can be analyzed below:						
Profit received from financing and credit facilities	-	261	95,405	-	41	10,543
Profit received from placements and current accounts	1,717	-	-	8,209	-	-
Profit paid on subordinated finance	(90,124)	-	-	(49,917)	-	-
Profit paid on deposits and current accounts to customers	(47,701)	(6,152)	(2,195)	(18,850)	(659)	(6,413)
Profit paid on deposits and current accounts to banks	(1,048)	-	-	(8,446)	-	-

- Due from banks on December 31, 2023, includes an amount of EGP 61,786 thousand representing balances due from Al Baraka Group – ABG. (Compared to EGP 222,691 thousand on 31 December 2022).
- Due from banks on December 31, 2023, includes an amount of EGP 72,420 thousand representing balances due from Al Baraka Group's subsidiaries. (Compared to EGP 458,713 thousand on 31 December 2022).
- Due to banks on December 31, 2023, includes an amount of EGP 55,968 thousand representing balances due to Al Baraka Group – ABG and its subsidiaries (Compared to EGP 623,819 thousand on 31 December 2022).
- Financial assets at FVTOCI on December 31, 2023, includes the amount of EGP 33,645 thousand representing investments in the Islamic Bank of Jordan (Compared to EGP 25,600 thousand on 31 December 2022).

Major Financial Results for FY 2023 vs. Previous Year as Stated in the Bank's Separate Financial Statements:

Main Items (EGP mn)	FY 2023	FY 2022	Growth Rate
Total Assets	100,447	87,225	15%
Murabaha, Mudaraba, and Musharaka of Customers	38,591	31,395	23%
Operations with Banks and Financial Investments	50,743	45,056	13%
Fixed and Intangible Assets	951	621	53%
Customer Deposits	85,007	74,420	14%
Owners Equity	9,735	7,585	28%
Net Profit for the Year	2,224	1,755	27%

Development of Capital and Dividends to be Paid to Shareholders:

- On 7 December 2022, shares dividends were distributed to shareholders in accordance with the decision of the extraordinary general assembly on September 29, 2022, so that the issued and paid-up capital amounted to EGP 5,089,974 K on 31 December 2022, in accordance with the minimum requirements for bank capital issued by the Central Bank of Egypt.
- According to the draft dividend distribution for the year 2023, it is proposed to make distributions to shareholders in the amount of 1 billion pounds - subject to the approval of the general assembly of the bank and the Central Bank of Egypt - considering that the dividends proposed will be in the form of cash dividends.

Plans for Financial Year 2024:

- Continuing to achieve growth in customer financing at competitive, variable return rates to mitigate risks related to profitability rates.
- Enhancing customer deposits - especially retail - by offering new products that meet their needs at a competitive return.
- Achieving diversification in financing and deposit portfolios and reducing concentration risks.
- Prioritization for digital transformation projects and develop the infrastructure for information and computer systems.
- Continuing work on multiplying the bank's profitability centers by developing fees & commissions from banking services.
- Controlling operating expenses to counter the negative effects of current inflation levels and the devaluation of the local currency.
- Completing the bank's organizational structure and focusing on employees training.
- Continuing to improve the quality of the bank's assets, capital management, and risk-weighted asset control.
- Enhancing dividend distributions to shareholders, subject to the approval of the General Assembly and the Central Bank of Egypt
- Opening new branches in cities and regions where the bank has not previously been present, bringing the number of bank branches at the end of 2024 to 42 branches.
- Continuing the ongoing development and modernization of the existing branches in a manner consistent with the competitive position of the bank in the banking sector and consistent with the identity of the Al Baraka Group.

The annual report on environmental, social, and governance (ESG) disclosures related to sustainability and the annual report on financial disclosures related to climate change (TCFD):

Thank you.. The annual report on the Environmental, Social And Governance Disclosures has been successfully registered and your registration code number is 34880. You are kindly requested to print the report and attach it to the annual report of the Board of Directors attached to the annual financial statements for the year 2023/2024.



Annual report for FY 2023/2024

on Environmental, Social and Governance Disclosures Related to Sustainability (ESG)

In implementation of the authority's Decrees no. (107) and (108) for the year 2021

First: Introduction

This report on the disclosure of Environmental, Social and Governance (ESG) reflects the strength of the company's management to implement the principles of sustainable development and integrate sustainability practices into the company's activities and operations, which generates confidence among investors that enables them to make informed investment decision, By identifying risks and opportunities that may not be monitored by traditional financial reports, especially in light of the increasing demand by investors for ESG Data and how companies integrate sustainability practices into the daily operations and activates in order manage the risks and opportunities associated with the various dimensions of sustainability, and thus enhance its financial position. Based on the FRA responsibility towards NBFi including listed Companies on the Egyptian Stock Exchange, and within the framework of assisting these companies to submit annual reports to disclose ESG sustainability standards in accordance with the FRA decisions No. 107 and 108 of 2021, and to facilitate them, the FRA has prepared this electronic form to companies to fulfill the KPIs for the disclosure of sustainability standards ESG.

Therefore, please be careful, accurate and transparent when filling out this form, and please attach the report form within the annual report prepared by the Board of Directors attached to the annual financial statements for the year 2023/2024 In case of any inquiries related to this matter, you can contact sustainable development department via email

sustainable.development@fra.gov.eg

Second: Basic Data on The Status of Company

1. Select the company's name: Al Baraka Bank Egypt
2. Select the company's sector: Banks

Third: Basic Data of The Person Responsible for Completing The Report

1. Name :Nada Elsayed Elsayed Mohamed Hawash
2. Job Title: Head of Sustainability
3. Email: nada.hawash@albaraka.com.eg

Fourth: Environmental KPIs

1. Environmental Operations & Oversight (E1)

1. Has the company developed any official Environmental and Social (E&S) or Sustainability policies?

Yes

Al Barak Bank Egypt established its department for sustainability and sustainable finance since January 2023, which in turn activated the following practices:

- Sustainable finance principles and risks are embedded in the bank's credit and investment policy
- The environmental and social risk management policy was developed in accordance with the standards of the International Finance Corporation (IFC).
- The bank's sustainable finance policy has been developed and is being approved
- An annual plan is developed to build capabilities in the areas of sustainability and sustainable finance for all bank employees
- Developing a sustainability and sustainable finance strategy is in progress to integrate sustainability principles into all of the bank's internal work activities and procedures
- Activating Al Baraka Bank decarbonization plan is in process to reduce carbon emissions resulting from its internal operations within the framework of a project to measure the carbon footprint of the bank's buildings and branches.

2. Is this policy originating from within the company or derived from global or national policies?

Yes

The sustainability policy is formulated in line with the following frameworks:

Nationally:

- Egypt Vision 2030
- National climate change strategy issued by the Ministry of Environment
- Sustainable finance principles issued by the Central Bank of
- Directions of the Financial Regulatory Authority

Regionally:

- Al Baraka Bank Group policies

Globally:

- United Nations Sustainable Development Goals (SDGs).
- The United Nations Global Compact (UNGC).
- Paris Climate Agreement
- IFC Environmental and Social Risk Management System Policy Standards

3. Does the company identify and assess the environmental and social risks arising from its economic activity?

Yes

Al Baraka Bank Egypt seeks embedding sustainable practices into its operations and financial activities. Accordingly Al Baraka Bank is working on applying its own environmental and social management system according to international finance corporation (IFC) standards which include the following:

- Develop an environmental and social risk management policy
- Determine environmental and social standards
- Create impact assessment for the environmental and social risks of the bank's portfolio and activities
- Establish a governance structure for environmental and social risks
- Create stakeholders engagement policy
- Create Capacity building plan for bank's employees to increase awareness of environmental and social risks
- Develop a monitor and evaluation system to follow up on policy implementation and goal achievement

4. Does the company follow specific policies concerned with waste recycling, water consumption, or energy consumption?

Yes

- The bank made an agreement with a company for recycling purpose (paper recycle).
- Headquarters and some braches are powered by solar panels
- Energy-saving lighting systems are used
- Several techniques are used to save water.
- Al Baraka Bank is in process to make an agreement with a specialized entity to activate a comprehensive waste management system for all bank premises in accordance with ISO 14001 certification standards.

5. Does the company set any goals related to reducing greenhouse gas (GHG) emissions?

Yes

The bank measured its carbon footprint in 2021. Although the rate of emissions across the scope of the bank's internal activities and work is initially consistent with global rates in accordance with the GHG Protocol, a plan has been developed divided into stages to reduce greenhouse gas emissions (Decarbonization plan), with an analysis of its pillars in terms of cost and ease of application to choose priorities, targeting the following

activities for instants:

- Improving lighting efficiency systems in all branches and buildings
- Regular maintenance of bank cars
- Implementing a waste management system in accordance with ISO 14001 certification standards
- Receiving old bank cards from customers when they receive renewed cards in order to ensure its recycling process
- Measuring financed emissions of the bank's portfolio activities
- Developing a strategy for sustainable finance with clear targets

6. Does the management have any system/certification regarding the company's environmental practices (ISO 14001 certification)?

No

The bank administrative and engineering department, is studying obtaining it in light of implementing the practices of the greenhouse gas emissions decarbonization plan and activating the waste management system.

2. Carbon Emissions / Greenhouse gases (GHG) (E2)

1. Does the company calculate the total amount of carbon emissions (Carbon Footprint) in metric tons?

Yes

Al Baraka Bank measured its carbon footprint for 2021 for the bank headquarter and it will be followed by the other premises.

3. Energy sources usage and diversification (E3)

1. Does the company calculate the total amount of energy directly consumed?

Yes

By tracking electricity bills as well as the amount of energy consumed from solar panels.

2. Does the company calculate the percentage of energy consumption according to the type of generation source?

Yes

Whether it is solar energy or purchased energy

3. Does the company calculate the percentage of annual saved energy?

Yes

The energy saved annually from the bank's solar panel system is calculated.

4. Water Usage (E4)

1. Does the company calculate the total amount of water annual consumed?

Yes

By following up on water bills.

2. Does the company calculate the total amount of annual water recycled and treated?

No

There is no need to apply this system in banking institutions.

5. Waste Management (E5)

1. Does the company calculate the total amount of waste generated or recycled and that, which has been treated according to type and weight?

Yes

Paper waste is calculated on a quarterly basis, as papers are destroyed and sold for recycling, but the volume of solid waste is not yet calculated.

Fifth: Social KPIs

1. Gender Diversity & Pay Ratio (S1)

1. Does the company disclose the number of male and female employees according to the type of employment (temporary or permanent)?

Yes

It is disclosed to the Central Agency for Public Mobilization and Statistics

2. Does the company disclose the percentage of total employees who are male and female?

It is disclosed to the Central Agency for Public Mobilization and Statistics

3. Does the company disclose the percentage of positions held by males and females (specifically for entry-level and mid-level jobs)

It is disclosed to the Central Agency for Public Mobilization and Statistics and Central Bank of Egypt

4. Does the company disclose the percentage of positions held by males and females (specifically for senior-level and executive positions)?

It is disclosed to the Central Agency for Public Mobilization and Statistics and Central Bank of Egypt

5. Does the company disclose the average pay ratio for females compared to the males?

It is disclosed to the Central Agency for Public Mobilization and Statistics

2. Employee Turnover rate (S2)

1. Does the company disclose the annual percentage rate of turnover for full-time employees?

The disclosure will be made to the inspection of the Central Bank of Egypt and to the inspection of Al Baraka Banking Group

2. Does the company disclose the annual percentage rate of turnover for part-time employees?

The disclosure will be made to the inspection of the Central Bank of Egypt and to the inspection of Al Baraka Banking Group

3. Does the company disclose the annual percentage rate of turnover for contract employees and consultants?

The disclosure will be made to the inspection of the Central Bank of Egypt and to the inspection of Al Baraka Banking Group

3.Non-Discrimination (S3)

1. Does the company follow a policy condemning sexual harassment and a non-discrimination policy based on any racial, religious, or gender basis?

Through the internal regulations, the guide to ethical standards and professional conduct, and the sanctions list

4.Global Health & Safety Standards (S4)

1. Does the company follow an occupational health and safety (OHS) policy and/or a policy related to global health and safety standards (for example ILO's International Labor Standards on Occupational Safety and Health)?

The instructions of the Ministry of Manpower and the Egyptian Labor Law are followed in this regard.

2. What is the number of occupational accidents if any?

No accidents occurred

3. Does the company offer trainings related to environmental, social AND Occupational Health and safety (OHS) issues for employees. If the answer

is yes, please disclose the number of trainings hours?

325 training hours

5.Children & Forced Labor (S5)

1. Does the company follow a policy prohibiting child labor and forced labor?

The instructions of the Ministry of Manpower, the Egyptian Labor Law, and the Egyptian Child Law are followed in this regard.

2. Does that policy apply to the suppliers and vendors dealing with the company?

The instructions of the Ministry of Manpower and the Egyptian Labor Law are followed in this regard. However, it is being studied to be included within the framework of the environmental and social risks policy.

6.Labor Rights (S6)

1. In addition to the requirements of Egyptian Labor Law, does the company follow the laws and standards of the International Labor Organization or any other international framework, standards, or laws related to labor's rights?

The instructions of the Ministry of Manpower and the Egyptian Labor Law are followed in this regard.

2. Does that policy include the suppliers and vendors dealing with the company?

The instructions of the Ministry of Manpower and the Egyptian Labor Law are followed in this regard. However, it is being studied to be included within the framework of the environmental and social risks policy.

Sixth: Governance KPIs

1.Board Diversity (G1)

1. Does the company disclose the number and percentage of the board of directors occupied by males and females?

Yes

Through the annual governance report, the number and names of board members are disclosed

2. Does the company disclose the number and percentage of committee chairs occupied by males and females?

Yes

Through the annual governance report, the number and names of board members are disclosed

2.Bribery / Anti-corruption (G2)

1. Does the company issue any decisions related to combating bribery / corruption and follow them?

Yes

The following policies have been issued regarding combating bribery/corruption as follows:

- A guide to ethical standards and rules of professional conduct approved by the bank Board of Directors on April 2021, where combating bribery/corruption is an essential part of this guide.
 - Policy for reporting illegal practices and protecting the amount approved by the bank Board of Directors in April 2022.
 - An independent anti-bribery/corruption policy has been prepared and is being reviewed and an opinion is being expressed on it by the Compliance Sector of Al Baraka Group in preparation for presentation to the Board of Directors.
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3.Ethics and Code of Conduct (G3)

1. Does the company issue code of conduct / Ethic and follow them?

Yes

A guide to ethical standards and professional conduct was issued, updated and approved by the Board of Directors in April 2021.

4.Data Privacy (G4)

1. In addition to the requirements of the Egyptian data protection law, does the company follow any other international frameworks, rules, or recommendations regarding data privacy?

Yes

All measures related to maintaining the confidentiality of accounts/information are taken in accordance with the laws regulating this regard, as well as the policies and procedures approved by our bank in accordance with the following:

- Central Bank of Egypt Law No. 194 of 2020;
 - Instructions for customer protection rights;
 - Disclosure and publication policy;
 - Policy for enforcing the requirements of the Foreign Account Tax Compliance Act (FATCA).
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5.Sustainability Reporting & Disclosure (G5)

1. Does the company issue sustainability report according to GRI, CDP, SASB, IIRC, UNGC, or any other type of sustainability reports frameworks?

No

But Al Baraka Bank is in the process of issuing its first annual sustainability report in accordance with GRI standards in the second quarter of this year.

2. Is the company striving to achieve specific goals from the United Nations Sustainable Development Goals?

Yes

Al Baraka Bank's main strategy and the bank's sustainability strategy are formulated in accordance with the Sustainable Development Goals; In particular, the goals of: health, education, gender equality, clean water, renewable energy, economic growth and climate action.

3. Does the company identify these goals and report on the progress made within the framework of the United Nations Sustainable Development Goals (SDGs)?

No

This will be determined with the issuance of the bank's first annual sustainability report for the year 2023.

4. Has the company clearly declared its commitment towards corporate social responsibility standards?

Yes

Al Baraka Bank allocates an annual budget to support civil society from the Zakat account. In 2023 8.75 million EGP was spent under the heading of social responsibility and supporting community development through a strategy that focuses on the following axes:

- **Women's Empowerment Axis:** The bank's cooperation was concluded with the Juzoor and Mishkat Foundation and the Sonaa Al-Khair Foundation to support handicraft projects and provide a permanent source of income for women, in addition to cooperation with the Misr Al-Khair Foundation to relieve the distress of more than two hundred families of debtors, both male and female.

- **Health axis:** The bank supported Baheya Hospital for treating oncology for women and Al-Nas Hospital for treating heart diseases for children, in addition to donating a dialysis machine to Mansoura University Hospital in cooperation with the Misr Al-Khair Foundation.

5. Does the company follow a clear and explicit policy / principle regarding community investments?

Yes

Al Baraka Bank works in light of the Egyptian government direction to support education, health, community development and women's empowerment. We are now working on developing a social responsibility strategy in line with the bank's general strategy.

6. Does the company participate in public or private sector initiatives concerned with community development?

Yes

Al Baraka Bank signed an agreement with a number of micro finance institutions to support small producers and productive women in various fields, at a value of 630 million pounds.

6.External Assurance (G6)

1. Are the company's ESG disclosures assured by an independent third party?

No

The bank will hire a consultancy to make the annual sustainability report in accordance with GRI standards for the year 2023, and accordingly the report will be reviewed and confirmed by an independent third party.

[Print this page](#)

Print

Thank you.. The Annual Report on the Environmental, Social and Governance Disclosures has been successfully Registered and your Registration Code Number is 34882. You are kindly Requested to print the report and attach it to the annual report of the Board of Directors attached to the annual financial statements for the year 2023/2024.



الهيئة العامة للرقابة المالية
FINANCIAL REGULATORY AUTHORITY



Annual report for FY 2023/2024

On Financial Disclosures Related To Climate Change (TCFD)

In implementation of The FRA's Decrees no. (107) and (108) for the year 2021

First: Introduction

The report on financial disclosures related to climate change - recommendations of the Task Force on Climate Financial Disclosure TCFD reflects the company's ability to manage the risks and opportunities associated with climate change, which creates confidence among investors that enables them to make investment decisions that take into consideration the range of financial risks and opportunities associated with climate change and the company's management mechanisms for transitional risks and Physical risks of the effects of climate change on the company's financial performance, thus providing more transparency regarding climate-related risks and opportunities for investors.

Based on the FRA responsibility towards NBFIs including listed Companies on the Egyptian Stock Exchange, and within the framework of assisting these companies to submit annual reports to disclose ESG sustainability standards in accordance with the FRA decisions No. 107 and 108 of 2021, and to facilitate them, the FRA has prepared this electronic form to companies to fulfill the KPIs for financial disclosures related to climate change - TCFD recommendations.

Therefore, please be careful, accurate and transparent when filling out this form, and please attach the report form within the annual report prepared by the Board

of Directors attached to the annual financial statements for the year 2023/2024 In case of any inquiries related to this matter, you can contact sustainable development department via email sustainable.development@fra.gov.eg

Second: Basic Data on The Status of Company

1. Select the company's name: Al Baraka Bank Egypt
2. Select the company's sector: Banks

Third: Basic Data of The Person Responsible for Completing The Report

1. Name : N
2. Job Title: Head of Sustainability
3. Email: nada.hawash@albaraka.com.eg

Fourth: TCFD KPIs

1. Governance KPI (Climate Related Governance)

1. Does the board have oversight of climate-related risks and opportunities? Yes

Al Barak Bank Egypt established its department for sustainability and sustainable finance since January 2023, which in turn activated the following practices:

- Sustainable finance principles and risks are embedded in the bank's credit and investment policy
- The environmental and social risk management policy was developed in accordance with the standards of the International Finance Corporation

(IFC).

- The bank's sustainable finance policy has been developed and is being approved
- An annual plan is developed to build capabilities in the areas of sustainability and sustainable finance for all bank employees
- Developing a sustainability and sustainable finance strategy is in progress to integrate sustainability principles into all of the bank's internal work activities and procedures
- Activating Al Baraka Bank decarbonization plan is in process to reduce carbon emissions resulting from its internal operations within the framework of a project to measure the carbon footprint of the bank's buildings and branches.

2. Does the management have a role in assessing and managing climate related risks and opportunity? Yes

If the answer is yes/no, please kindly clarify and comment:

Al Baraka Bank Egypt seeks embedding sustainable practices into its operations and financial activities. Accordingly Al Baraka Bank is working on applying its own environmental and social management system according to international finance corporation (IFC) standards which include the following:

- Develop an environmental and social risk management policy
- Determine environmental and social standards
- Create impact assessment for the environmental and social risks of the bank's portfolio and activities
- Establish a governance structure for environmental and social risks
- Create stakeholders' engagement policy
- Create Capacity building plan for bank's employees to increase awareness of environmental and social risks
- Develop a monitor and evaluation system to follow up on policy implementation and goal achievement

2.Strategy KPI (Environmental Operations, Oversight and Mitigation)

1. Does the organization identify any climate related risks and opportunities over the short, medium and long run? Yes

Al Baraka Bank Egypt is in process to activate the environmental and social risk management system, which includes developing a policy to manage those risks, the bank seeks to implement a strategy for sustainability and sustainable finance. This strategy will include the targets the bank seeks to achieve in accordance with the practices previously mentioned.

2. Does the company reflect the climate-related risks opportunities on the organization's business, strategy, and financial planning? Yes

The bank seeks to implement a strategy for sustainability and sustainable finance. This strategy will include the targets the bank seeks to achieve in accordance with the practices previously mentioned.

3. Does your company invest, annually, in climate-related infrastructure, resilience, and product development? Yes

The bank invests in solar panels to power some of its premises, as well as financing clean and renewable energy projects.

3.Risk Management KPI (Climate-Related Risks)

1. Does the company set a defined process for identifying and assessing the climate related risks? Yes

- Sustainable finance principles and risks are embedded in the bank's credit and investment policy
- The bank seeks sustainable practices in its internal activities and operations
- The environmental and social risk management policy was developed in accordance with the standards of the International Finance Corporation (IFC) which include the following:
 - Develop an environmental and social risk management policy
 - Determine environmental and social standards
 - Create impact assessment for the environmental and social risks of the bank's portfolio and activities
 - Establish a governance structure for environmental and social risks
 - Create stakeholders' engagement policy
 - Create Capacity building plan for bank's employees to increase awareness of environmental and social risks

- Develop a monitor and evaluation system to follow up on policy implementation and goal achievement

2. Does the company have a solid process for managing the climate related risks? Yes

• Sustainable finance principles and risks are embedded in the bank's credit and investment policy

- The bank seeks sustainable practices in its internal activities and operations

- The bank made an agreement with a company for recycling purpose (paper recycle).

- Headquarters and some branches are powered by solar panels

- Energy-saving lighting systems are used

- Several techniques are used to save water.

- Al Baraka Bank is in process to make an agreement with a specialized entity to activate a comprehensive waste management system for all bank premises in accordance with ISO 14001 certification standards.

• The environmental and social risk management policy was developed in accordance with the standards of the International Finance Corporation (IFC) which include the following:

- Develop an environmental and social risk management policy

- Determine environmental and social standards

- Create impact assessment for the environmental and social risks of the bank's portfolio and activities

- Establish a governance structure for environmental and social risks

- Create stakeholders' engagement policy

- Create Capacity building plan for bank's employees to increase awareness of environmental and social risks

- Develop a monitor and evaluation to follow up on policy implementation and goal achievement

3. Does the company incorporate climate-related risks in the company's overall risk management? Yes

• Al Baraka Bank Egypt is in process to activate the environmental and social risk management system, which includes developing a policy to manage those risks

• The bank seeks to implement a strategy for sustainability and sustainable finance. This strategy will include the targets the bank seeks to achieve in accordance with the practices previously mentioned.

4. Metrics & Targets KPI (Carbon/ GHG Emission)

1. Does the company use any metrics to assess climate-related risks and opportunities in line with its strategy and risk management process? Yes

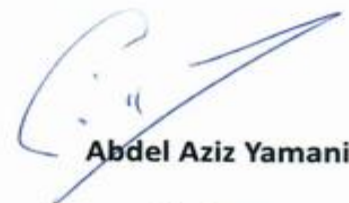
The bank measured its carbon footprint in 2021. Although the rate of emissions across the scope of the bank's internal activities and work is initially consistent with global rates in accordance with the GHG Protocol, a plan has been developed divided into stages to reduce greenhouse gas emissions (Decarbonization plan), with an analysis of its pillars in terms of cost and ease of application to choose priorities, targeting the following activities for instants:

- Improving lighting efficiency systems in all branches and buildings
- Regular maintenance of bank cars
- Implementing a waste management system in accordance with ISO 14001 certification standards
- Receiving old bank cards from customers when they receive renewed cards in order to ensure its recycling process
- Measuring financed emissions of the bank's portfolio activities
- Developing a strategy for sustainable finance with clear targets

2. Total amount, in CO2 equivalents, for Scope 1 (if applicable) ? Yes

Through annual carbon footprint report

Finally, we all look forward to the continued progress of our bank forward, with the grace of Allah and the support of the Board of Directors and the efforts of the executive management and employees.



Abdel Aziz Yamani

Chairman